HANDOUT #1

Income Calculations

Scenario #1 - 26 pay periods

Betty Smith works 40 hours a week, gets paid every other Wednesday and earns $14.02 an hour. Two months of pay stubs show the following:

Pay date	Pay Period	Total Hours	Total Earnings
8/7/13	7/13-7/26/13	80	$1121.60
8/21/13	7/27-8/9/13	80	$1121.60
9/4/13	8/10-8/23/13	80	$1121.60
9/18/13	8/24-9/6/13	80	$1121.60

Calculation:

Step 1: Calculate $1121.60 x 26 pay periods = $29,161.60. Round up to $29,162

Alternative Calculation:

Calculate hourly rate of $14.02 x 80 hours x 26 pay periods

Scenario #2 - 24 pay periods

Marvin Reed is paid on the 1st and 15th of every month. His shift is Monday, Tuesday, Wednesday, Friday and Saturday, 7 a.m. until 4:00 p.m., 1 hour lunch. He's paid at the rate of $16.00 per hour. Here's a summary of his pay stubs for 2 months:

Pay date	Pay Period	Total Hours	Total Earnings
8/1/13	7/16/13-7/31/13	96	$1536.00
8/15/13	8/1/13-8/15/13	80	$1280.00
9/1/13	8/16/13-8/31/13	96	$1536.00
9/15/13	9/1/13-9/15/13	80	$1280.00

Calculation:

Step 1: Determine average earnings per pay period. Add up 4 pay periods of earnings = $5632

Step 2: Divide $5632 by 4 pay periods = $1408

Step 3: Multiply $1408 by 24 pay periods = $33,792 gross annual income

Alternative Calculation:

Step1: Determine average hours worked per pay period. Add up hours from 4 stubs = 352 hours

Step 2: Divide 352 by 4 pay periods to arrive at the average hours per pay period = 88 hours.

Step 3: Multiply 88 hours x $16.00 an hour x 24 pay periods = $33,792.

Pay Increase

Using Scenario #1, the VOE shows Betty will be receiving a 3% increase beginning January 1, 2014 and goes into effect with pay period 1/11/14-1/24/14 – second pay period of calendar year.

Step 1 – Count remaining pay periods in 2013 = 8 remaining +1 pay period in 2014 at old rate = 9 pay periods at old pay rate

Step 2 – Need to determine what the new hourly rate will be in January - $14.02 x 3% = $.42 cents + $14.02 = $14.44 new hourly rate

Step 3 – Calculate $1121.60 x 9 pay periods = $10,094.40

Step 4 – Calculate new hourly rate of $14.44 x 80 hrs = $1155.20

Step 5 – Calculate $1155.20 x 17 remaining pay periods of 26 pay periods = $19,638.40

Step 6 – Add $10,094.40 + $19,638.40 = $29,732.80 projected annual gross income

Overtime

Using Scenario #2, the pay stubs show the following overtime hours worked:

Pay date	Pay Period	O/T Hours	Total Earnings
8/1/13	7/16/13-7/31/13	6	$144.00
8/15/13	8/1/13-8/15/13	8	$192.00
9/1/13	8/16/13-8/31/13	9	$216.00
9/15/13	9/1/13-9/15/13	4	$ 96.00

Calculation – same steps as listed under Scenario #2 above = $648 divided by 4 = $162 x 24 pay periods = $3,888

HANDOUT #2
CALCULATING ASSETS UNDER $5,000

1. NAME - SMITH		2. IDENTIFICATION	
ASSETS			
FAMILY MEMBER	ASSET DESCRIPTION	CURRENT CASH VALUE OF ASSETS	ACTUAL INCOME FROM ASSETS
BETTY	CHECKING ACCOUNT	$500 (AVERAGE 6-MONTH BALANCE)	$5 (EARNED ANNUALLY)
	CD	$4,000 (ANNUAL INTEREST RATE OF 2.0%)	$80
3. NET CASH VALUE OF ASSETS.....		3.$4,500	
4. TOTAL ACTUAL INCOME FROM ASSETS.....			4.$85
5. IF LINE 3 IS GREATER THAN $5,000, MULTIPLY LINE 3 BY __2%___ (PASSBOOK RATE) AND ENTER RESULTS HERE; OTHERWISE, LEAVE BLANK			5.$0

ANTICIPATED ANNUAL INCOME					
FAMILY MEMBERS	WAGES/ SALARIES	BENEFITS/ PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	ASSET INCOME
BETTY	$29,162				ENTER THE GREATER OF LINES 4 OR 5 FROM ABOVE IN E.
6. TOTALS	A.$29,162	B.	C.	D.	E.$85
ENTER TOTAL OF ITEMS FROM 6A. THROUGH 6E. THIS IS *ANNUAL INCOME.*					7.$29,247

HANDOUT #3
CALCULATING ASSETS GREATER THAN $5,000

1. Name - Smith		2. Identification	
ASSETS			
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
Betty	Checking Account	$870 (average 6-month balance with interest rate of 2.7%)	$23 (earned annually)
	CD	$15,000 (annual interest rate of 5.3%)	$795
3. Net Cash Value of Assets……		3.$15,870	
4. Total Actual Income from Assets.....			4.$818
5. If line 3 is greater than $5,000, multiply line 3 by __2%___ (Passbook Rate) and enter results here; otherwise, leave blank			5.$317

ANTICIPATED ANNUAL INCOME					
Family Members	Wages/ Salaries	Benefits/ Pensions	Public Assistance	Other Income	Asset Income
Betty	$29,162				Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.$29,162	b.	c.	d.	e.$818
Enter total of items from 6a. through 6e. This is *Annual Income.*					7.$29,980